Policy on Engagement

Engagement

As an investment manager, we endeavour to act in the interests of the Funds we manage on behalf of our clients. Effectively exercising our ownership responsibilities is consistent with this objective. One way of doing so is to engage with investee companies (actual and potential) and, if deemed appropriate, other shareholders. Throughout our research process, which continues throughout our Funds’ investment period, our analysts typically engage company executives to help inform our assessment of intrinsic value and to discuss issues of interest to shareholders, including environmental, social and governance factors.

In the vast majority of their interactions with company executives and other directors, our analysts’ primary objective is to improve their understanding of the company and its business. We believe that responsibility for the day-to-day operations of a company rests with its management, and that we probably have limited value to add in this regard. From time to time, our analysts may believe that they can contribute to a company’s deliberations over its broad strategy. When offered these opportunities, our analysts aim to further our Funds’ interests by sharing ideas that they believe will enhance or preserve shareholder value.

We generally consider engaging with companies privately to be more constructive than public engagement. If private engagement appears to be ineffective and our analysts continue to harbour material concerns about the strategy, sustainability or governance of a company, on rare occasions they may make their concerns publicly known.

Broadly speaking, our approach to engagement is applied across all investment markets in which we participate. It takes into account applicable law and local regulatory and market expectations including, where applicable, best practice codes, such as the UK and Japanese Stewardship Codes.

We typically document engagements internally to ensure proper record-keeping, monitoring and accountability, as well as to enable us to report on our engagement activities.

Other Considerations and Associated Policies

We are a member of several industry associations and periodically engage with professional proxy advisors and other commercial stewardship initiatives. These activities provide opportunities for us to engage in stewardship and governance dialogues.

Our Insider Trading and Market Abuse Policy sets out specific guidance to our personnel when engaging with third parties on how to avoid receiving inside information. It also describes how to deal with and control that information in the event of acquiring it. Typically, the goal is to prevent us from inadvertently becoming exposed to inside information, which would restrict our freedom to trade in a security and thereby impair our ability to act with a view to the interests of the Funds we manage for clients.

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